

Water and Light Advisory Board
April 3, 2008

A meeting of the Water and Light Advisory Board was held April 3, 2008 at 7:00 a.m. in the Utility Services Conference Room, 105 E. Ash. Attending the meeting were:

John Conway, Chair
Tom Baumgardner, Vice Chair
Tom O'Connor, Member
Bob Roper, Member
Ernie Gaeth, Member
John Glascock, Water and Light Interim Director
Jim Windsor, Manager of Rates and Fiscal Planning
Mike Schmitz, Engineering Manager
Tad Johnsen, Power Production Superintendent
Floyd Turner, Manager of Water Operations
Dan Stokes, Electric Distribution Manager
Marilyn Thorpe, Administrative Support Supervisor
Stephanie Brown, Administrative Support Assistant II
Dick Parker, Power Supply Task Force

APPROVAL FOR THE MARCH 6, 2008 MEETING MINUTES: The March 6, 2008 meeting minutes were approved by voice vote on a motion by Bob Roper and second by Tom O'Connor.

FINANCIAL REPORT:

a) Financial Update – The Board received the monthly financial statements ending February 29, 2008.

Water and Electric Utility combined operations reflect an operating income of \$5,040,719 for the five months ended February 29, 2008; compared to an operating income of \$3,089,183 for the same period last year. This is an increase of \$1,951,536.

The Water Utility has an operating income of \$110,988 for the five months ended February 29, 2008; compared to an operating income of \$435,941 for the same period last year. This is a decrease of \$324,953 in operating income.

The Electric Utility has an operating income of \$4,929,731 for the five months ended February 29, 2008; compared to an operating income of \$2,653,242 for the same period last year. This is an increase in operating income of \$2,276,489.

Operating revenues of Electric Utility are up \$5,207,111 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$2,176,642. Fuel and Purchased power costs have increased \$1,770,638.

b) Jim Windsor said water revenue from metered sales should go up in the next seven months. Miscellaneous revenue is still down because of the effect on water connection fees due to the decrease in new construction.

POWER PLANT REPORT

Nearman Power Plant is down for two weeks for planned inspections and repairs. Sikeston Power Station will be down in May for approximately 2-4 weeks to take the rotator element out and for planned inspections and repairs.

ENGINEERING

Jacobs Long Range Water Study Report – Mike Schmitz said the demand forecast has been received from Jacobs. He said this is a demand and consumption study in which historical usage was analyzed. He said according to the forecast the consumption per customer was down. This forecast did not include supply, but the next study will focus on supply. Mr. Schmitz said this is just an executive summary of the full report which will cover losses and input usage. Next month there will be a draft of the complete report.

Mr. Schmitz said fireflow is examined in the report. Every year Water and Light performs flow tests on half of the city's fire hydrants. He said fire hydrants put out 800 gallons of water per minute for residential areas and 1500 gallons per minute for commercial areas.

Mr. Schmitz has given Jacobs a list of projects for the water bond issue for the August '08 ballot which will be applied to the study to see if anything has been missed.

Radial collector wells are not included in the study. That type of well could change the classification to ground source and change the treatment process. Jacobs will make a recommendation on when to address this and plant capacity issues. Mr. O'Connor expressed concern over the wetlands affect on the drinking water wells. He believes it would be a step backwards to move to Missouri River Water.

Hillsdale Pump Station Report – Mr. Schmitz said the Hillsdale Pump Station is here. The water main under I-70 at Clark Lane has been tied in. The pump station will be operational around the first part of June. A 1.5 million gallon ground storage tank will be put in adjacent to the pump station. Funding of this project will be in the bond proposal.

161 Route Study Report – Mr. Schmitz said as a member of the Southeastern Electric Reliability Council (SERC), Water and Light is required to run studies to adhere to the North American Electric Reliability Corporation (NERC) guidelines. Under these guidelines, the utility must have the capacity to cut out two transmission lines and not impact another utility. He said on the south side of the city, if the line was down it would affect the University of Missouri which is considered a separate utility. It is forecasted that in 2010 there will be a double contingency problem and in 2012 there will be a single contingency problem. Mr. Schmitz said a Request for Proposal (RFP) has been issued for a consultant to perform an Environmental Impact Study (EIS) and determine the most efficient three routes for new transmission lines that can be submitted to the City Council. Another distribution substation is needed on the south side of the city. Imports to the transmission systems are also needed. The new transmission lines could take four to five years to build because of possible

easement conflicts. Mr. Schmitz is not sure if a consultant firm will be selected by the next meeting.

WATER DIVISION REPORT

Tie-in of Well Field 36" Main – The tie-in is complete. The plant was taken down last week to finish it.

ELECTRIC DISTRIBUTION REPORT

Dan Stokes said there were 40 outages in March with about 44 customers affected per outage. Fifteen of the outages were caused by upgrades and transformer changes. Two outages were caused by trees. The average outage time for each customer was 3 minutes and 19 seconds.

UTILITY SERVICES DIVISION REPORT

John Glascock said the Dow Chemical Co. agreement on the Solar America Initiative Partnership Demonstration has been signed by Prost Builders, Inc. He said Quaker Oats has not signed the agreement for the Solar One project yet.

NEW BUSINESS

Mr. Glascock said in order for the water bond issue to be on the August ballot, it will need to be submitted to the Boone County clerk's office in May. He said Bill Watkins wants to spread it over the next six years with a maximum rate increase of 5% per year so that the customer is not overwhelmed. Other capital improvement projects include upgrading the fireflows for schools and main break issues. Mr. Windsor said the maximum for the bond is \$40 million with a reserve of 10% leaving \$36 million for the project.

Mr. Windsor said the water system rate adjustments from the previous bond issue are still active. Mr. Schmitz said Jacobs is verifying that all needed areas are covered in the bond issue and that there are no places where the water system is inadequate.

Mr. Glascock commented that the pharmaceutical report sent to the City Council said that presently Water and Light is not testing for pharmaceuticals in the water but is establishing outreach programs to inform people on how to properly dispose of them. Tina Worley and Connie Kacprowicz are working on methods of public communication on this topic.

Mr. Roper commended Water and Light on the gesture of solidarity for Karla Strawn, a Water and Light Employee discussed in a Tribune newspaper article.

OLD BUSINESS

Mr. Glascock said he will send a reminder email to the Power Supply Task Force regarding any comments that need to be presented to Kiah Harris. There will be approximately 3 more meetings for the task force.

Next meeting date: May 1, 2008

The meeting adjourned at 8:00 a.m.

Respectfully Submitted,